

Before the Federal Communications Commission
Washington, D.C. 20554

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In the Matter of:)

Calling Party Pays Service Option)
in the Commercial Mobile Radio Services)

WT Docket No. 97-207

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Comments of AirTouch Communications, Inc.

AirTouch Communications, Inc. ("AirTouch")¹, hereby submits its comments in response to the Public Notice seeking comment on a CTIA Petition for Expedited Rulemaking concerning a "Calling Party Pays" ("CPP") service option offered by Commercial Mobile Radio Service ("CMRS") providers.² AirTouch continues to be a strong proponent of CPP, and supports CTIA's interest in promoting more widespread deployment of a CPP option.

AirTouch encourages the Commission to undertake any proceedings it finds to be in the public interest and necessary to facilitate competition and increased consumer options. AirTouch responds herein to the proposals in the CTIA Petition, and provides a brief update on AirTouch's efforts to introduce a Calling Party Pays option in the State of California, as requested in the Public Notice.

¹ AirTouch is a CMRS provider with interests in cellular, paging, PCS and mobile satellite services, both domestic and international.

² Public Notice, "Commission Seeks Comment on Petition for Expedited Consideration of the Cellular Telecommunications Industry Association in the Matter of Calling Party Pays Service Option in the Commercial Mobile Radio Service," DA 98-468, March 9, 1998 ("Public Notice"); "Petition for Expedited Consideration," filed February 23, 1998 ("CTIA Petition"); see also Notice of Inquiry, 12 FCC Rcd 17693 (1997) ("Calling Party Pays NOI").

048

AirTouch agrees with CTIA that marketplace deployment of CPP should proceed in response to market forces, not regulatory mandates. Intense competition in the mobile marketplace continues to incent carriers to develop innovative pricing and service options. CPP is properly understood as an optional arrangement CMRS carriers can choose to offer their subscribers. However, some regulatory involvement may be necessary to the extent that market forces are insufficient to prevent a CPP option from being introduced.

For example, CTIA contends that no FCC action to require LECs to offer billing for CPP is necessary, since such billing and collection services are not needed to make CPP available.³ AirTouch's experience and business analysis are to the contrary. As AirTouch noted in its earlier Comments, local exchange carriers must bill and collect from their own customers who place calls to CMRS subscribers, in order for CPP to be economically viable.

Although a CMRS carrier could theoretically do the billing itself, AirTouch has found that this is untenable as an economic matter. It is simply not cost effective and results in unacceptably high levels of uncollectible charges for the CMRS carrier to bill directly the landline customer placing a call to a CMRS subscriber. In some cases, the

³See CTIA Petition at 3, n.5, citing Reply Comments of CTIA at 5-6. CTIA claims that calls for Commission intervention unnecessarily complicate the CPP development process at an early stage. CTIA Petition at 3, n.6. But whether the development process is complicated is less important than whether CPP fails to develop at all.

billed amount is less than the cost of postage to mail the bill; in this instance separate bills from different carriers are much less effective than a single bill.⁴

As AirTouch noted in its Comments on the NOI, the Commission has the legal authority to require LECs to offer billing and collection in order to permit the introduction of a CPP option.⁵ AirTouch has, since December 1997, pursued a complaint at the California Public Utilities Commission to require SBC/ Pacific Bell to offer such billing services. Although Pacific Bell's California tariff provides that Pacific Bell offers billing and collection services to other carriers for third-party services, including wireless services, Pacific has refused to offer those tariffed services to AirTouch for CPP. Pacific's refusal to honor its tariff exemplifies the anti-competitive conduct that market forces may be insufficient to address.

CTIA also requests that the Commission adopt a national notification policy to inform callers that they will be billed for completing a CPP call. AirTouch agrees it would be helpful to have a single agreed-upon preamble acceptable in every state. Such uniformity would assist customers in becoming familiar with CPP arrangements, and reduce costs for carriers. AirTouch encourages the Commission to work with the states to arrive at an agreed-upon preamble for customer notification.

⁴AirTouch Comments, December 16, 1997, at 17.

⁵Id.

Finally, CTIA notes that CPP qualifies as a CMRS service offering regardless of which carrier provides the billing and collection service.⁶ AirTouch agrees that the conceptual differences between the CPP billing service offered by LECs and the CMRS communications services offered by CMRS providers should be recognized. For example, a long-distance call can be billed in a number of ways, and the charges may be assessed on the originating or the terminating party, i.e., a collect call.⁷ But the identity of the party charged does not change the nature of the underlying communications service.

In the case of CPP, the nature of the service connecting the calling party to the mobile subscriber is a CMRS service. The service does not change based upon whether the called party or the calling party pays the charges for the call. Consequently, the legal principles governing CMRS, including preemption of state regulation of rates and entry, apply to these telecommunications services.

CONCLUSION

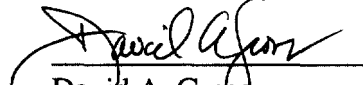
AirTouch generally agrees with CTIA's analysis of the Calling Party Pays service option, with the significant exception of CTIA's belief that LEC billing and collection services are not necessary to make CPP a viable option and/or that no regulatory

⁶CTIA Petition at 6.

⁷In the long-distance industry, tariffed LEC billing and collection services are used where the charges are assessed on the terminating party. Just as with CPP, such services are necessary to make the service viable since the party being assessed the charges has no pre-subscribed relationship with the carrier providing the service.

involvement is necessary to ensure those services are available on a just, reasonable and non-discriminatory basis. AirTouch's business analysis shows that CPP is not a viable option absent those services, and AirTouch has experienced anti-competitive refusals to offer those services. AirTouch encourages the Commission to undertake whatever proceedings it believes are necessary to permit CPP to develop fully.

Respectfully submitted,



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